



# RETIREMENT FOCUS

*A Newsletter for the Employees, Retirees and their Beneficiaries of Montgomery County*

January 2018 Vol. 2 No. 1

**As a new year is about to begin....**

**There is no better time than now to start building a strong retirement program. Start the year off by giving your finances an annual check-up. Stay on top of things so you will remain in control of your finances.**

## IMPORTANT YEAR-END REMINDERS

### *Financial Check-up*

Understanding your financial goals in retirement is important as well as “checking on” the status along the way.

Schedule a one-on-one appointment to ensure you are on the right track with either **Fidelity** (*all plans except ERS*) or **Cambridge Investment Research** (*RSP & DCP*) by visiting our website at [www.montgomerycountmd.gov/retirement](http://www.montgomerycountmd.gov/retirement) and clicking on **Investment Counseling**, along the left-hand side of the page.

### *Deferred Compensation Plan Contribution Limits*

The Internal Revenue Service has announced that the limits for 2018 will increase from the 2017 levels. Shown below are the 2018 limits:

2018 Contribution limits	
Regular	\$18,500
Age 50+ Limit	\$ 6,000
3-year Catch Up	\$37,000

*For information on how to change your contribution please call (240) 777-8228 or (800) 343-0860.*

### *Required Minimum Distribution*

The IRS requires members of the Retirement Saving Plan (RSP) or the Deferred Compensation (DCP), who are no longer working for the County, to begin taking distributions at age 70½.

If you are a member of the Guarantee Retirement Income Plan (GRIP), and not an active employee, you are required to withdraw your entire account balance when you turn 70 ½.

For more information please contact the Fidelity onsite representative at (240) 777-8228.

### *Saver's Tax Credit*

If you are a low-to-moderate income worker, you may be able to take a tax credit for making eligible contributions to your employer-sponsored retirement plan.

You're eligible for the credit if you are at least age 18, not a full-time student, and not claimed as a dependent on another person's return.

The amount of the credit is 50%, 20% or 10% of your retirement plan contributions up to \$2,000 (\$4,000 if married filing jointly), depending on your filing status and your adjusted gross income. To find out more information visit the IRS website at: [www.irs.gov/taxtopics/tc600/tc610](http://www.irs.gov/taxtopics/tc600/tc610)

# UNDERSTANDING YOUR EMPLOYEES' RETIREMENT SYSTEM

## 2017 1099R TAX FORM

9898 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0119		<b>2017</b> Form <b>1099-R</b>	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
PAYER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code  Montgomery County Employees' Retirement System 101 Monroe Street 15th Floor Rockville, MD 20850		1 Gross distribution	\$ 25,801.44		
		2a Taxable amount	\$ 25,547.88		
PAYER'S federal identification number	RECIPIENT'S identification number	3 Capital gain (included in box 2a)	4 Federal income tax withheld	<b>Copy A</b> For Internal Revenue Service Center  File with Form 1096.  For Privacy Act and Paperwork Reduction Act Notice, see the 2017 General Instructions for Certain Information Returns.	
30-0606393	111-11-1111	\$ 0.00	\$ 2,247.28		
RECIPIENT'S name		5 Employee contributions / Designated Roth contributions or insurance premiums	6 Net unrealized appreciation in employer's securities		
Benny Pension		\$ 253.56	\$ 0.00		
Street address (including apt. no.)		7 Distribution code(s)	8 Other		
100 Retirement Row		7			
City or town, state or province, country, and ZIP or foreign postal code		9a Your percentage of total distribution	9b Total employee contributions		
Rockville, MD 20850		%	\$ 0.00		
10 Amount allocable to IRR within 5 years	11 1st year of desig. Roth contrib.	FATCA filing requirement	12 State tax withheld	13 State/Payer's state no.	14 State distribution
\$ 0.00		<input type="checkbox"/>	\$ 1,020.00		\$ 25,547.88
Account number (see instructions)		15 Local tax withheld	16 Name of locality	17 Local distribution	
		\$		\$	

Form **1099-R** Cat. No. 14436Q [www.irs.gov/form1099r](http://www.irs.gov/form1099r) Department of the Treasury - Internal Revenue Service

**Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page**

Form 1099-R is an Internal Revenue Service (IRS) form on which the Employees' Retirement System (ERS) reports payments to retirees and beneficiaries.

You are required to submit this form with your annual tax filing.

### Understanding your Form 1099R:

**Recipient ID:** Your 9-digit Social Security number is truncated to provide only the last 4 digits for security reasons.

**Box 1:** Gross Distribution - The total amount paid to you before deductions for the calendar year.

**Box 2a:** Taxable Amount - The portion of the total amount paid to you during the calendar year that is taxable income.

**Box 4:** Federal Income Tax Withheld - Total amount of Federal income tax withheld for the calendar year.

**Box 5:** Employee Contributions – Amount of your contributions that may be recovered tax free, this is the difference between boxes 1 and 2a.

**Box 7:** Distribution Code(s) - Code identifying the type of retirement benefit being paid.  
*\*See back of Form 1099R for code listing*

**Box 12:** State Tax Withheld -The total amount of Maryland income tax withheld for the calendar year.

**Box 14:** State Distribution – Gross income being reported to your state.

## WHERE TO GO FOR



### **STATE INCOME TAX**

If you live in the metropolitan area, and need help filing your state income tax return, you can obtain assistance in person or by phone at any one of the state's income tax offices. Shown below is the contact information.

Maryland	(410) 260-7980 800-MD-TAXES	8:30-4:30pm M-F
Washington, DC	(202) 727-4829	8:15-4:30pm M-F
Virginia	(804) 367-8031	8:30-5:30pm

### **FEDERAL INCOME TAX**

For guidance on filing your individual tax forms, determining your electronic filing options, obtaining tax forms, determining your filing status, checking on your refund and much more, please contact the IRS at the following numbers:

Internal Revenue Service (IRS)	(800) 829-1040	7:00-7:00pm M-F
Internal Revenue Service (IRS) *forms	(800) 829-3676	<a href="http://www.irs.gov/forms-pubs">www.irs.gov/forms-pubs</a>

### **ADDITIONAL RESOURCES**

#### **Taxpayer Advocate**

This service provides free help to guide you through the process of resolving tax problems with the IRS that you have not been able to handle on your own. Please call (877) 777-4778 or visit their website to find your local office at <https://taxpayeradvocate.irs.gov/>.

#### **“Free File” for Federal Tax**

If your adjusted gross income (AGI) is less than \$64,000, this program will help you prepare and electronically file your federal taxes. If your income is greater than \$64,000, you can use the Free File Fillable Forms that are available on the IRS website at [www.irs.gov/freefile](http://www.irs.gov/freefile).

#### **Volunteer Income Tax Assistance (VITA)**

If your adjusted gross income is less than \$54,000, person with a disability or limited English; this program will help you prepare and file your taxes for free. To find a location near you call (800) 906-9887 or visit their website at <http://www.irs.gov/individuals/free-tax-return-preparation-for-you-by-volunteers>.

#### **Tax Counseling for the Elderly (TCE)**

Offers free tax help to individuals, especially those who are age 60 or older, in filing their Federal income tax returns. To find a location near you visit [www.irs.gov/individuals/tax-counseling-for-the-elderly](http://www.irs.gov/individuals/tax-counseling-for-the-elderly) or call (800) 906-9887.

## FIDELITY – SERVICE CENTERS ACROSS THE US



If you have a balance in the Retirement Savings Plan (RSP), Guaranteed Retirement Income Plan (GRIP) or the County's Deferred Compensation Plan (DCP), there are Fidelity Service Centers across the US to assist with questions related to your investments, asset allocation, distributions or other related topics. Call **(800) 343-0860** to find a Fidelity office near you.

Shown below is a listing of several service centers located where many of our members live.

Delaware		Florida		North Carolina		Virginia
* Wilmington		* Aventura		* Cary		* Alexandria
		* Boca Raton		* Charlotte		* Leesburg
<b>Maryland</b>		* Clearwater		* Durham		* Reston
* Annapolis		* Coral Gables		* Greensboro		* Richmond
* Bethesda		* Ft. Lauderdale		* Huntersville		* Tysons Corner
* Towson		* Jacksonville		* Raleigh		
		* Naples		* Winston-Salem		<b>District of Columbia</b>
<b>Pennsylvania</b>		* Orlando				* Washington, DC
* Bucks County		* Palm Beach Gardens		<b>South Carolina</b>		
* King of Prussia		* Sarasota		* Greenville		<b>Georgia</b>
* Philadelphia		* Tampa		* Hilton Head		* Alpharetta
* Pittsburgh		* The Vilages-Ocala				* Atlanta
		* Vero Beach				

## RETIREMENT SAVINGS PLAN AND GUARANTEED RETIREMENT INCOME PLAN MEMBERS

Are you a participant in the Retirement Savings Plan (RSP) or Guaranteed Retirement Income Plan (GRIP)? Have you created your online Fidelity account access? If not, visit our website at [www.montgomerycountymd.gov/retirement](http://www.montgomerycountymd.gov/retirement) and click on **Fidelity Login Account**. At the Fidelity website, along the top of the page, click “Register”, then “Verify Your Identity”, click submit and you will be prompted to create your online account credentials.

Once you have entered the site, you will see your total account balance, click in the **Retirement Savings** area to see “Quick Links” (on the right-hand side) to view your transaction history, generate an online statement, and review your investment performance.

### **Vesting:**

“Vesting” is a term used to determine how much of your RSP or GRIP account balance you currently are entitled to based on your years of participation. The vesting schedule for RSP and GRIP is 100% after 3 years of participation in the Plan. *RSP members are 100% vested once they reach age of 62.* Toward the end of the online statement you will see your **Contribution Summary**, where your vested percentage will appear. If you leave the County before you have three years of participation, unless you are a RSP member and are age 62, you are 0% vested and the County contributions and earnings will revert back to the County. You are always 100% vested in your contributions and earnings.

Your vested percentage is based on the years of service from the date you became a participant in the RSP or GRIP not your date of hire. **Example:** If you were hired March 20, 2017, your participation in the Plan begins six months from your date of hire, September 17, 2017 and your first contribution would be deposited on October 13, 2017.

Your Contribution Summary		Statement Period: 04/01/2017 to 06/30/2017
Contributions	Employee Contributions	Employer Contributions
Period to date	\$1,815.87	\$2,631.74
Vested Percent	100%	0%
Total Account Balance	\$2,930.50	\$4,860.99
Total Vested Balance	\$2,930.50	\$0.00

### **Investment Counseling:**

A **Fidelity** representative is onsite at the Executive Office Building, 15<sup>th</sup> floor, to assist you with income projections, asset allocation and education on investments.

Three ways to schedule a meeting:

1. Click on the link below and select “Executive Office Building” for the location.  
<http://www.montgomerycountymd.gov/mcerp/investment/education/sessions/one-on-one.html>
2. Call MCERP at 240-777-8228.
3. Send an email to [retirement@montgomerycountymd.gov](mailto:retirement@montgomerycountymd.gov).





# Social Security and You

Are you thinking about when to start receiving Social Security or what you need to consider before claiming Social Security?

Good coaching and a great playbook can make all the difference in the world for a winning football team. If you fail to create a sound game plan, you are likely to miss opportunities and fall behind. The same is true for retirement—except *you* call the plays, including when to retire and how much to save. If you walk onto the retirement field without a game plan, you may have to work longer than you had hoped. You certainly don't want to find yourself unable to have the comfortable retirement you planned.

You may have to call your own financial plays, but Social Security has tools to help you. Social Security can help you decide what options might be successful in various situations. For example, how much can you expect to receive from Social Security? How much more could you receive if you worked a year longer? Two years? What about your spouse? And are you saving enough in addition to your expected Social Security benefits?

Visit our website at [www.montgomerycountymd.gov/retirement](http://www.montgomerycountymd.gov/retirement) to sign-up for one of our upcoming 2018 Social Security seminars to receive answers to your questions. Click on the “What’s New” tab and then the “Social Security” link and at the bottom of the flyer to sign-up for one of the seminars.

You can also visit [www.socialsecurity.gov](http://www.socialsecurity.gov) and receive answers to your questions. You will find several financial planning tools, including their easy-to-use and secure Social Security *Retirement Estimator*. You can use it to get quick retirement estimates based upon your own earnings record. It's like training camp for financial planning! All you have to do is provide some information about yourself to verify who you are, for security purposes, and the Social Security *Retirement Estimator* will:

- create your Social Security benefit estimates based on your entire career earnings record
- show what you could receive in Social Security benefits if you retire at age 62, full retirement age or what you would receive if you work until age 70

Interested in other play options, such as what will happen if you made more money in the future? Or if you want to stop work at a different age? You can try out alternate game plans using the Social Security *Retirement Estimator* too.

Remember what one of football's most accomplished and respected coaches, Vince Lombardi, said: “There's only one way to succeed in anything, and that is to give it everything.” So, give everything you have to developing the playbook for your retirement. And the best place to begin your game plan for a successful retirement is at [www.socialsecurity.gov](http://www.socialsecurity.gov).



## QUARTERLY SOCIAL SECURITY SEMINARS

EOB Lobby Auditorium

3pm – 5pm

Seminar Dates: January 9, 2018  
April 12, 2018  
June 28, 2018  
August 15, 2018  
November 13, 2018

### Have questions about Social Security? Don't go it alone!

Attend one of our seminars where a representative from the Social Security Administration will provide employees and retirees with information about Social Security, Medicare, their online services and respond to questions.

There are limited spaces, so register at <http://www.signupgenius.com/go/5080e4ea4a62aa6f85-social> today. When you register for the session you wish to attend, please include your name and indicate if you will be bringing a guest.

## REMEMBER .....

### Upcoming 2018 ERS Pension Deposit Dates

Tuesday	Jan 2, 2018
Thursday	Feb 1, 2018
Thursday	March 1, 2018
Monday	April 2, 2018
Tuesday	May 1, 2018
Friday	June 1, 2018
Monday	July 2, 2018

*\*All ERS pension payments are made the first business day of each month.*

### Account Forms Review

A review of all personal information is a good idea because of life changes that might have occurred during the year.

- Beneficiary Forms
- Direct Deposit/Tax Withholding
- Address Change

Retirees please visit our website for forms at:  
[www.montgomerycountymd.gov/retirement](http://www.montgomerycountymd.gov/retirement).

Active Employees please visit the OHR website at:  
<http://www.montgomerycountymd.gov/HR/Recruitment/EmployeeOnboarding.html#1> for forms.

***RETIREMENT FOCUS*** is a quarterly newsletter published by Montgomery County Employee Retirement Plans and the Board of Investment Trustees for active members, retirees and beneficiaries of the Employees' Retirement System, Guaranteed Retirement Income Plan, Retirement Savings Plan and the County Deferred Compensation Plan.

## GET INFORMATION YOUR WAY



Get answers to common questions:  
**[www.montgomerycountymd.gov/retirement](http://www.montgomerycountymd.gov/retirement)**



Get answers to specific questions:  
**[retirement@montgomerycountymd.gov](mailto:retirement@montgomerycountymd.gov)**



Retirement (240) 777-8230  
Fidelity on-site: rep (240) 777-8228

Montgomery County Employee Retirement Plans  
Executive Office Building  
101 Monroe Street, 15<sup>th</sup> Floor  
Rockville, MD 20850

